

Your Rights and Responsibilities As a Student Loan Borrower

Borrower's Rights

You have the right to know:

- School policy regarding enrollment, attendance and good academic standing.
- School policy regarding when tuition, fees and other expenses must be paid.
- Average student indebtedness (amount borrowed), default rate and graduation rate at your school.
- The consequences of default.
- How financial aid is determined.
- The financial aid programs available at your school and how to qualify for them.
- The type and amount of loan fees taken from your student loan.
- When loan funds are received and the number of disbursements.
- When repayment will begin and what the average monthly payment will be.
- Information on deferment (postponement of payment), cancellation and forbearance.

Borrower's Responsibilities

You have the responsibility to:

- Complete your Promissory Note and forms accurately and on time.
- Provide additional information and documentation, such as income tax forms, if required.
- Inform the Financial Aid Office of any changes in your family's financial circumstances.
- Participate in an Entrance Counseling before you receive your first loan disbursement.
- Keep track of all your loans and know all terms and conditions regarding repayment and deferment.
- Notify your lender of any changes to your address, names, telephone number or social security number.
- Know which lender holds your loan.
- Participate in an Exit Counseling before graduation.
- Repay your loan regardless of whether you have completed your education, are satisfied with your education or are able to find a job.
- Attend classes regularly and meet the satisfactory academic progress standards of your college.

Student Loan Repayment Chart

Interest Rate 6.8%		10-Year Loan Term	
Loan Balanced Upon Entering Repayment	Monthly Payment	Total Interest In Repayment	
\$1,000	\$50	\$63	
\$2,625	\$50	\$496	
\$3,500	\$50	\$966	
\$5,500	\$63	\$2,095	
\$7,500	\$88	\$2,857	
\$10,000	\$115	\$3,810	
\$15,000	\$173	\$5,715	
\$20,000	\$230	\$7,619	

This chart is intended only for comparison purpose since the examples may not represent actual credit terms. The loan balance upon entering repayment should be the sum of all FFELP student loans including any unpaid interest accumulated during in-school grace, deferment and forbearance periods. A minimum payment of \$50 is required. Borrowers paying the minimum \$50 payment may amortize their loans in full in less than 10 years.

Walters State Community College Lender Comparison Chart

Lender	Loan Servicer	Originations Fee	Borrower Benefits
Discover Student Loans (877) 728-3030 www.discoverstudentloans.com Lender Code: 831312	Discover Financial Services	0%	<ul style="list-style-type: none"> • .25% interest credit with auto debit • Zero origination fees • Zero guarantor fees • Zero prepayment fees • 10 to 25 year repayment period • Six-month grace period following graduation or dropping less-than-half-time
Edamerica (800) 337-1009 www.edamerica.net Lender Code: 831453	Edfinancial Services	1%	<ul style="list-style-type: none"> • 0% to 1% default fee - based on guarantor • 0.25% interest rate reduction for auto-debit • Flexible repayment options • No payments are required while you are in school at least half time • No penalty for prepayment • Combined billing available • Online repayment available • One-stop-shop - origination through repayment • Online application process • Six-month grace period following graduation or dropping less-than-half-time
First Tennessee Bank (800) 337-6884 www.firsttennessee.com/student Lender Code: 810563	Edfinancial Services	1%	<ul style="list-style-type: none"> • 0% to 1% default fee - based on guarantor • Flexible repayment options • Online repayment available • No payments are required while you are in school at least half time • No penalty for prepayment • No income or collateral requirements • Life-of-loan servicing through Edfinancial Services • Six-month grace period following graduation or dropping less-than-half-time
Regions Bank (800) 858-7822 www.Regions.com Lender Code: 810612	Sallie Mae Servicing	1%	<ul style="list-style-type: none"> • Borrower benefits can save you money in repayment • Flexible repayment options • No payments are required while you are in school at least half time • Manage your account online • Life-of-loan servicing from Sallie Mae • No prepayment penalty • No credit check required for Stafford loan • Six-month grace period following graduation or dropping less-than-half-time
Sallie Mae Education Trust (800) 891-1413 www.salliemae.com Lender Code: 802218	Sallie Mae Servicing	1%	<ul style="list-style-type: none"> • Borrower benefits can save you money in repayment • Flexible repayment options • No payments are required while you are in school at least half time • Manage your account online • Life-of-loan servicing from Sallie Mae • No prepayment penalty • No credit check required for Stafford loan • Six-month grace period following graduation or dropping less-than-half-time

The lenders listed above have demonstrated a high level of reliability and dedication in providing quality customer service to WSCC and its students. However, you may request your student loan from any lender who provides student loans. If you would like to use another lender, please provide the lender name and code.

Frequently Asked Questions

How much will I pay in interest and fees?

The current interest rate is fixed at 6.8%. The interest rate is specified in a disclosure statement when a loan is disbursed. Regardless of which lender you use, the guarantor may charge up to a 1% fee of the loan amount to process your loan. The U.S. Department of Education may charge up to a 3% origination fee. Some lenders may discount these fees to borrowers. Check with your lender to confirm fee charges before making your loan. The amounts of these fees are specified in a disclosure statement and are deducted from your loan proceeds before they are sent to the school.

Who is my guarantor and what do they do?

All loans processed with Walters State preferred lenders are guaranteed by a national agency called Tennessee Student Assistance Corporation (TSAC.) You can reach TSAC by calling 1(800) 342-1663. The guarantor is an agency approved by the federal government to guarantee student loan repayment to the lender should the borrower default.

What is a disclosure statement?

Your lender will send you a disclosure statement when your loan is disbursed. The statement identifies the specific terms of your loan and includes:

- The type and amount of your loans(s)
- The amount of the guarantee fee(s) deducted from your loan proceeds
- The amount of the origination fee(s) deducted from your loan proceeds
- The interest rate at the time your loan is disbursed
- The estimated dates(s) your loans will be sent to the school
- The length of your grace period

How will my loan(s) be disbursed?

In most cases your loan(s) will be disbursed in two installments: One during the Fall semester and one during the Spring semester. Loan proceeds are not disbursed until WSCC Financial Aid Office receives an official enrollment for each semester. For students attending one semester, both installments will be disbursed in the same semester. The first one toward the beginning of the semester and the second after at least half the semester is completed.

When does repayment begin?

For Stafford loans, you must begin repayment after your grace period expires. The grace period for most borrowers is six months and begins the day after you leave school or drop below half-time attendance. Borrowers generally have up to 10 years to repay their loan(s) and must pay a minimum of \$50 per month but may owe much more per month depending on the amount borrowed.

What are the consequences of default?

If you do not meet your obligation to repay your student loan(s), the federal government will proceed to collect from you to the fullest extent of the law. Any reasonable attorney's fee and other legally permissible costs incurred from this process will be charged to the defaulter. Your default will be reported to a national credit bureau – something that will negatively affect the credit rating for years. The entire unpaid amount of the loan(s), including interest, may become immediately due and payable. Your federal and state income tax refunds may be withheld. Your wages may be garnished. Levies may be placed against any personal property you own. You may not be able to qualify for any financial aid funds for future study and you will get persistent phone calls and letters from collectors.

Important Reminders

- First-time borrowers at Walters State Community College must complete the Entrance Interview via the Walters State Community College website (www.ws.edu/admission/financialaid) before any loan funds can be disbursed. This may also be done in person in the Financial Aid Office at WSCC.
- First-time freshman borrowers at WSCC will receive the initial disbursement of their loans at least 30 days after the first day of the loan period, after they completed the entrance interview. If the student's entrance interview is not completed in a timely manner, loan proceeds will be returned to the lender.
- Funds are sent directly to the school. No funds can be disbursed to your home. You must have a valid I.D. to receive your check.
- Manage your money carefully. Be sure to use your loan funds for education expenses only and never borrow more than you will need. Be sure that you can afford your monthly payments once you have completed your studies.
- Avoid default at all costs! If you are unable to make timely payments, call your lender immediately. They will be happy to explain your options and work with you to protect your credit card rating until you are able to resume your normal payment schedule.